

MEMBER STATEMENT—KEVIN O'REILLY MLA FRAME LAKE
GNWT LIABILITIES FOR CANTUNG MINE SITE REMEDIATION

June 14, 2016

MR. O'REILLY: With devolution, GNWT inherited the management of the Cantung Mine operated by North American Tungsten Corporation. There was a substantial shortfall in the amount of financial security that should have been posted to reclaim the site. Our government had and may still have surface leases covering the mine and its infrastructure, and there was insufficient financial security under those leases and the water licence to ensure an adequate remediation of the site.

As a result of the shortfall and our failure to ensure full financial security of the Cantung Mine, GNWT has now purchased the Mactung property using the \$4.5 million special warrant that did not require any oversight of this Assembly. The new water licence was issued for the Cantung Mine in January of this year and calls for \$28 million in financial security, an increase of over \$16 million. Sadly, this has come too late as North American Tungsten is now in creditor protection and unlikely to go into production again.

This mine does not have a good environmental track record, as reported in the media recently, with 42 spills over the last ten years. In May of this year, more spills were detected and a notice was issued to the company to install erosion-control structures and report spills in a timely fashion as required under the GNWT spill contingency planning and reporting regulations.

Although GNWT was able to turn back the Cantung Mine to the federal government under the provisions of the devolution agreement, it is my understanding that we still hold surface leases for the property. It is not clear why we still hold such leases and whether we still retain any residual environmental and financial liabilities. Later today, I will have question for the Minister of Lands. Merci Mr. Speaker.